

## **SUMMARY FOR NURSING HOME METHODOLOGY CHANGES**

### **Section I.**

When the occupancy threshold to qualify for Population Based need was set at 70%, the new Medicaid payment system was not in full effect. Last year an 80% occupancy rate was settled on by DHS as the critical point at which facilities would receive full reimbursement on their physical plant. It makes sense that the same number should be used for both methodologies. We don't want to allow new beds in a county when existing facilities cannot be paid a full reimbursement rate in order to maintain their facility

### **Section III.C.2.**

This proposed change will reduce the likelihood of new beds in counties with low occupancy rates while, at the same time, encourage the movement of existing beds. This change will actually lower the amount of over bedding with time and promote fiscal economy and responsibility.

The goal of encouraging the movement of existing beds or facilities, instead of adding new beds to an already over bedded state, is hindered by the limit of 150 beds needed. New facilities only require that the need be equal to or greater than the number of beds coming into the county, this proposed change will make the same true for the replacement of a facility.

### **Section IV.**

The change in the Unfavorable Review section should leave no mechanism for certain applications, such as the movement of a facility without the addition of beds, to bypass the Unfavorable review requirements.

The additional language gives the Agency the authority to consider an applicant's performance history during the review process.